

The third category of problem disbursements—in-transit disbursements—has increased recently, but is still down substantially over the long run, from \$16.8 billion in June 1993 to \$11.1 billion in January 1997. In-transit disbursements are cases in which a payment has been made, but the obligation has not yet been matched to its obligation authority, and more than 180 days have passed.

Over the last several months, a number of statements have been made about Dr. Hamre's handling of progress payments under complex contracts using money from more than one appropriation. While there is no evidence that the existing progress payment system has ever resulted in a violation of the Antideficiency Act, Dr. Hamre has acknowledged that this system is incapable of meeting all applicable requirements, and he has been working hard to address the problem.

On Wednesday afternoon, I received a letter from Eleanor Hill—the inspector general of the Department of Defense—who first identified the progress payment issue. In response to a joint request from the chairman of the Armed Services Committee and myself, Ms. Hill reviewed the steps taken by Dr. Hamre to address the progress payment issue. Her letter concludes:

Given current statutory requirements, we believe that the procedures and timelines outlined in those memoranda are appropriate at this time and demonstrate positive movement toward fixing this longstanding problem.

I am pleased that Dr. Hamre has taken the actions necessary to address the progress payment issue in compliance with existing requirements. But we also need to make sure that these changes are in the best interest of the taxpayers and the Department of Defense. I have asked Dr. Hamre to review the issue and let the Armed Services Committee know if any legislative changes may be needed in this regard.

Mr. President, I think President Clinton and Secretary Cohen have made an excellent choice with this nomination. I strongly support John Hamre's nomination to be Deputy Secretary of Defense, Mr. Chairman, and I look forward to working closely with him and Secretary Cohen in the future.

Mr. President, I ask unanimous consent that Ms. Hill's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INSPECTOR GENERAL,
DEPARTMENT OF DEFENSE,
Arlington, VA, July 23, 1997.

Hon. CARL LEVIN,
Committee on Armed Services,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEVIN: This is in response to your request for my views as to whether the Department of Defense has made a good faith effort to address previous audit findings on progress payments to contractors and whether the Department has established a reasonable schedule to implement the changes needed to bring progress payment practices into compliance with fiscal law.

On June 30, 1997, the Director, Defense Procurement, issued the requisite contracting guidance in draft form for comment. While we cannot prejudge or speculate as to the outcome of the comment period, I can tell you that at this time this office concurs with the draft guidance as written. The guidance should be issued in final form by October 1, 1997.

The first elements of the necessary guidance for paying offices, two Under Secretary of Defense (Comptroller) memoranda, were signed out today. Given current statutory requirements, we believe that the procedures and timelines outlined in those memoranda are appropriate at this time and demonstrate positive movement toward fixing this longstanding problem. Between now and the planned October 1, 1997, implementation date for the new progress payment distribution policy, we will work with the Comptroller and the Defense Finance and Accounting Service to ensure that sound desk procedures are developed for the paying offices.

This office is already auditing various aspects of DoD vendor payment operations and will ensure that coverage of the implementation of the new progress payment procedures receives high priority. We will provide periodic status reports to the Department and the Congress starting in January 1998.

Thank you for seeking our views on this important issue. If we can be of further assistance in this matter, please contact me or Mr. Robert J. Kieberman, Assistant Inspector General for Auditing, at (703) 604-8900.

Sincerely,

ELEANOR HILL,
Inspector General.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MEASURE READ FOR THE FIRST TIME—S. 1065

Mr. GREGG. Mr. President, I understand that S. 1065, which was introduced earlier today by Senator SPECTER, is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1065) to amend the Ethics in Government Act with respect to the appointment of independent counsel.

Mr. GREGG. I now ask for its second reading, and object to my own request on behalf of the other side of the aisle.

The PRESIDING OFFICER. Objection is heard.

The bill will remain at the desk and have its next reading on the next legislative day.

ORDERS FOR FRIDAY, JULY 25, 1997

Mr. GREGG. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Friday, July 25. I further ask that on Friday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate immediately begin consideration of Calendar No. 120, Senate

Resolution 98, the global warming resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GREGG. For the information of all Members, tomorrow the Senate will begin consideration of Senate Resolution 98, the global warming resolution. By previous consent, there are two amendments in order to the resolution with a vote on the resolution occurring at 11:30 a.m. Following disposition of Senate Resolution 98, the Senate may proceed to a cloture on the tuna-dolphin legislation, if an agreement is not reached prior to the global warming resolution. Also, by consent, at 5 p.m. on Monday, the Senate will begin consideration of the transportation appropriations bill. However, as announced by the majority leader, there will be no rollcall votes during Monday's session of the Senate. As a reminder to all Members, following the votes on Friday, the next votes will be a series of votes occurring on Tuesday at 9:30 a.m. on the Commerce, Justice, State appropriations bill.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GREGG. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 10:22 p.m., adjourned until Friday, July 25, 1997, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 24, 1997:

THE JUDICIARY

CHARLES R. BREYER, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA VICE D. LOWELL JENSEN, RETIRED.

FRANK C. DAMRELL, JR., OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF CALIFORNIA VICE EDWARD J. GARCIA, RETIRED.

MARTIN J. JENKINS, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA VICE EUGENE F. LYNCH, RETIRED.

JORGE C. RANGEL, OF TEXAS, TO BE U.S. CIRCUIT JUDGE FOR THE FIFTH CIRCUIT, VICE WILLIAM L. GARWOOD, RETIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 24, 1997:

DEPARTMENT OF DEFENSE

JOHN J. HAMRE, OF SOUTH DAKOTA, TO BE DEPUTY SECRETARY OF DEFENSE.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING AIR FORCE NATIONAL GUARD OF THE U.S. OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE, TO THE GRADE INDICATED, UNDER TITLE 10, UNITED STATES CODE, SECTION 12203:

To be brigadier general

COL. TOMMY L. DANIELS, 0000.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601: